

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Raymond and Yolene Louis, (Claimants) vs. Dalton Kent Securities Group, Inc., Levant Miguel Bishop, John M. Vandy, Risa Steinberg, and Wexford Clearing Services Corp., (Respondents)

Case Number: 99-04678

Hearing Site: New York, New York

REPRESENTATION OF PARTIES

Claimants, Raymond and Yolene Louis, hereinafter collectively referred to as "Claimants", appeared *pro se*.

Respondents, Dalton Kent Securities Group, Inc. ("Dalton"), Levant Miguel Bishop ("Bishop"), John M. Vandy ("Vandy"), and Risa Steinberg ("Steinberg"): Taryn V. Shelton, Esq., Vedder, Price, Kaufman & Kammholz, New York, NY.

Respondent, Wexford Clearing Services Corp. ("Wexford"): William H. Freilich, Esq., Senior Vice President and Associate General Counsel, Prudential Securities Inc., New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: October 13, 1999.

Reply to Wexford's Motion to Dismiss filed by Claimants on or about: April 11, 2000.

Claimants signed the Uniform Submission Agreement: October 5, 1999.

Statement of Answer filed by Dalton, Bishop, and Vandy on or about: March 31, 2000.

Dalton did not sign a Uniform Submission Agreement.

Bishop did not sign a Uniform Submission Agreement.

Vandy did not sign a Uniform Submission Agreement.

Statement of Answer filed by Steinberg on or about: April 13, 2000.

Steinberg did not sign a Uniform Submission Agreement.

Statement of Answer and Motion to Dismiss filed by Wexford on or about: February 15, 2000.

Wexford signed the Uniform Submission Agreement: April 24, 2000.

CASE SUMMARY

Claimants asserted the following cause of action: unauthorized purchases of E-Trade Group Inc. stock.

Unless specifically admitted in their Answer, Dalton, Bishop, and Vandy denied the allegations made in the Statement of Claim and asserted the following defenses: Claimants' claims are disingenuous and without merit; the information provided by Claimants on their new account form and option agreement indicates that they were experienced investors with substantial net worth; Claimants' account activity at Dalton is consistent with the alleged unauthorized transactions; Bishop did not charge Claimants a commission on the purchases in question; and Claimants have not challenged any their profitable transactions as unauthorized.

Unless specifically admitted in her Answer, Steinberg denied the allegations made in the Statement of Claim and asserted the following defenses: Steinberg had no substantive contact with Claimants other than the ministerial task of acknowledging receipt of their complaint and Steinberg has no knowledge of the substantive allegations in the Statement of Claim.

Unless specifically admitted in its Answer, Wexford denied the allegations made in the Statement of Claim and asserted the following defenses: Claimants never once mention any specific act or failure to act by Wexford in their Statement of Claim; the Statement of Claim fails to state any cause of action against Wexford; Wexford had no control over, or responsibility for, the placement of orders in Claimants' account; Wexford's duties as clearing firm were strictly limited to the wholly ministerial tasks of processing, clearing, and reporting the trades already placed in Claimants' account by Dalton; Wexford performed its responsibilities timely, reasonably, and in good faith; and Claimants did not speak with anyone at Wexford at any time regarding the transactions conducted in their account, including the transactions at issue.

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$328,890.00, plus their expenses, and reinstatement of their account to its position prior to the transactions in question.

Dalton, Bishop, and Vandy requested that Claimants' claims be dismissed, with prejudice.

Steinberg requested that all claims against her be dismissed.

Wexford requested that Claimants' claims against it be dismissed in their entirety.

OTHER ISSUES CONSIDERED AND DECIDED

Dalton, Bishop, Vandy, and Steinberg did not file with NASD Dispute Resolution, Inc. properly executed submissions to arbitration but are required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure and, having answered the claim, appeared and testified at the hearing, are bound by the determination of the Panel on all issues submitted.

The Panel granted Wexford's Motion to Dismiss during the first day of hearings in this matter.

During the hearings in this matter, Motions to Dismiss were made on behalf of Respondents Dalton, Vandy, and Steinberg. The Panel denied each of these Motions.

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimants' claims are hereby dismissed in their entirety.
2. Dalton and Bishop be and hereby are jointly and severally liable for and shall pay to Claimants the sum of \$300.00, to reimburse Claimants for the filing fee previously paid to NASD Dispute Resolution.
3. All other requests for relief are hereby denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= \$ 300.00
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Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated persons at the time of the events giving rise to the dispute. In this matter, Dalton Kent Securities Group, Inc. and Wexford Clearing Services Corp. are parties.

Dalton Kent Securities Group, Inc.

Member surcharge	= \$ 1,500.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$ 2,500.00

Wexford Clearing Services Corp.

Member surcharge	= \$ 1,500.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$ 2,500.00

Forum Fees and Assessments

The Panel assesses forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with Panel x \$1,125.00	= \$ 1,125.00
Pre-hearing conference: October 4, 2000 1 session	

Eight (8) Hearing sessions x \$1,125.00	= \$ 9,000.00
Hearing Dates: February 14, 2001 2 sessions	
February 16, 2001 2 sessions	
May 8, 2001 2 sessions	
May 9, 2001 2 sessions	

Total Forum Fees	= \$10,125.00
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The Panel has assessed all of the forum fees jointly and severally against Dalton and Bishop.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services including, but not limited to, additional copies of arbitrator awards beyond those provided without charge, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

1. Dalton, requested tapes, \$225.00.

Fee Summary

1. Claimants be and hereby are jointly and severally liable for:

<u>Initial Filing Fee</u>	= \$ 300.00
<u>Total Fees</u>	= \$ 300.00
<u>Less payments</u>	= \$ 1,425.00
<u>Refund Due Claimants</u>	= \$ 1,125.00

As stated in the "Award" section above, Dalton and Bishop are jointly and severally liable and shall reimburse Claimants for the \$300.00 filing fee.

2. Dalton be and hereby is solely liable for:

<u>Member Fees</u>	= \$ 4,600.00
<u>Administrative Costs</u>	= \$ 225.00
<u>Total Fees</u>	= \$ 4,825.00
<u>Less payments</u>	= \$ 2,100.00
<u>Balance Due NASD Dispute Resolution, Inc.</u>	= \$ 2,725.00

3. Wexford be and hereby is solely liable for:

<u>Member Fees</u>	= \$ 4,600.00
<u>Total Fees</u>	= \$ 4,600.00
<u>Less payments</u>	= \$ 4,600.00
<u>Balance Due NASD Dispute Resolution, Inc.</u>	= \$ 0.00

4. Dalton and Bishop be and hereby are jointly and severally liable for:

<u>Forum Fees</u>	= \$10,125.00
<u>Total Fees</u>	= \$10,125.00
<u>Less payments</u>	= \$ 0.00
<u>Balance Due NASD Dispute Resolution, Inc.</u>	= \$10,125.00


All balances are due and payable to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Diane R. Cohen, Esq.	-	Public Arbitrator, Presiding Chair
Philip R. Lochner, Jr.	-	Public Arbitrator
Joseph C. Pickard, Jr., Esq.	-	Industry Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.



Diane R. Cohen, Esq.
Public Arbitrator, Presiding Chair

5/31/01

Signature Date

Philip R. Lochner, Jr.
Public Arbitrator

Signature Date

Joseph C. Pickard, Jr., Esq.
Industry Arbitrator

Signature Date

June 12, 2001

Date of Service (For NASD office use only)

ARBITRATION PANEL


Diane R. Cohen, Esq.	-	Public Arbitrator, Presiding Chair
Philip R. Lochner, Jr.	-	Public Arbitrator
Joseph C. Pickard, Jr., Esq.	-	Industry Arbitrator

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Diane R. Cohen, Esq.
Public Arbitrator, Presiding Chair

Signature Date


Philip R. Lochner, Jr.
Public Arbitrator

Signature Date

Joseph C. Pickard, Jr., Esq.
Industry Arbitrator

Signature Date

June 12, 2001

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Diane R. Cohen, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Philip R. Lochner, Jr.
Public Arbitrator

Signature Date


Joseph C. Pickard, Jr., Esq.
Industry Arbitrator

May 31, 2001
Signature Date

June 12, 2001
Date of Service (For NASD office use only)